

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 04 NEW DELHI 005680

SIPDIS

PASS TO NRC

E.O. 12958: DECL: 11/20/2012

TAGS: [ENRG](#) [ETRD](#) [IN](#) [KNNP](#) [PGOV](#) [PREL](#) [NSSP](#)

SUBJECT: PRIME MINISTER SINGH'S NUCLEAR LEADERSHIP

REF: A. NEW DELHI 5616

[B](#). SECSTATE 133163

[C](#). NEW DELHI 5613

Classified By: SCI-COUNS M. DICAPUA FOR REASONS 1.5 (B) and (D)

[1](#)1. (C) Summary: Our contacts in the Indian nuclear establishment welcomed the July 18 announcement of potential civil nuclear cooperation and are confident that Prime Minister Singh's experience with the nuclear sector will be critical to rapid implementation of the commitments that India made in the Washington Joint Statement (JS). The inclusion of Atomic Energy Commission (AEC) Chairman Anil Kakodkar in the official Indian delegation was a clever move by the PM to obtain buy in from scientists in India's nuclear establishment who have devoted their careers to achieving the independence of India's nuclear programs in the face of the international embargo that India confronted after the 1974 nuclear tests. Early progress on the quid-pro-quo to allow India's access to fuel for a facility such as Tarapur, which is already under safeguards, will enhance credibility of an agreement that some in the Indian nuclear community perceive to have a significant political cost. End summary.

Managing The Nuclear Debate in India Will Require Strong Leadership

[1](#)2. (C) The intensity of coverage (Ref. A) of the nuclear aspects of the July 18 JS (Ref. B) suggests that the PM, upon his return to Delhi, will have to muster a coalition of technocrats to keep the course of India's nuclear debate in the energy security direction. The PM will have to work very hard to keep the debate away from debilitating arguments about how many warheads India requires for a minimum credible deterrent. Such a debate, which will have to take place in parallel, will require a strategic thinker who can lead India's politico-military establishment through the process of determining what India's nuclear deterrent needs are vis a vis the environment of India's immediate neighborhood.

[1](#)3. (C) The complexity of the nuclear energy debate will be heightened by the intense skepticism of an entire generation of Indian nuclear and space technologists who have devoted careers to programs that ensured the independence and viability of India's nuclear programs. Entire Indian institutions developed in three decades of isolation that resulted from the US Nuclear Non-Proliferation Act of 1978 (NNPA) and the erection of the Nuclear Suppliers Group (NSG) edifice that the US sponsored to make sure that the international export regime would harmonize with the NNPA. The PM's challenge will be to convince Indian scientists to redirect their efforts from a self-sufficiency regime to a regime where India's nuclear activities integrate with global efforts.

[1](#)4. (U) The PM, through the creation of the Energy Coordination Committee (ECC) announced on July 13, may be off already to a running start in coordinating DAE and Nuclear Power Corporation of India Ltd. (NPCIL) nuclear power generation plans into an overall Indian energy strategy. The ECC and a civil nuclear working group within the Energy Dialogue (ED) (Ref. C) could focus debate on India's nuclear energy future so implementation of the July 18 JS proceeds at a higher political level.

PM Singh's Leadership is Critical

[1](#)5. (C) Conversations we have had with S.K. Jain, the Managing Director of NPCIL, and M.R. Srinivasan, a former Chairman of the Atomic Energy Commission (AEC) and former member of the Planning Commission, suggest that Prime Minister Manmohan Singh is uniquely qualified to focus the debate on the goal of bringing India's nuclear energy program in sync with worldwide nuclear programs. In their view, PM Singh is also uniquely qualified to manage the political fallout that arises from attempting to bring a credible number of Indian nuclear facilities under IAEA safeguards. Both Jain and Srinivasan, who have had substantial experience with Prime Minister Singh during Singh's tenure as Finance Member of AEC while Singh was Secretary of the Department of Economic Affairs and later as Deputy Chairman of the Planning Commission, are confident that through Singh's leadership the

process will proceed smoothly.

#### Srinivasan: Joint Statement Implementable

16. (C) Srinivasan believes that, contrary to many commentaries in the Indian press, it is actually quite possible to segregate civilian and nuclear facilities in India and that implementing safeguards on Indian built facilities will allow incorporation of safeguarded imported fuel into the Indian nuclear fuel cycle. The principal challenge, according to Srinivasan, will be for AEC technical personnel to adjust to new nuances of a program where Indian nuclear power activities integrate into world programs. Srinivasan's view in this regard are quite unique as he is a product of an era where India's nuclear establishment was firmly integrated into world programs. Srinivasan, four decades ago, managed the construction activities of Tarapur in collaboration with Bechtel and General Electric.

17. (C) Srinivasan, who has been a key advocate of caution in managing the Indian Fast Breeder Reactor program, told us that he welcomes more openness of the breeder program which has been the self-sufficiency icon of nuclear India. Srinivasan told us that India's commitment to the breeder program need not be irreversible. Experience with the construction and commissioning of the Prototype Fast Breeder Reactor (PFBR) will demonstrate whether implementation of a fast breeder program with multiple reactors will make technical and economic sense for India in the long run. In Srinivasan's view, India's ability to acquire uninterrupted supplies of natural uranium for its nuclear power program will allow India to focus sharply on the cost/benefit trade offs of a technically challenging and very capital intensive breeder program.

#### NPCIL: Delighted With Achievements in Washington

18. (C) NPCIL is delighted with the achievements of PM Singh's visit to Washington. NPCIL Managing Director Jain told us that NPCIL's total commitment is to maximize India's nuclear power output whether through India's indigenous technology or outsourcing plants from other countries. NPCIL will do what it takes to implement IAEA safeguard requirements. It has successfully interfaced with the World Association of Nuclear Operators (WANO), the Association of CANDU reactor operators, and engaged in collaborations with nuclear regulatory bodies on a worldwide basis. NPCIL, according to Jain, has been increasingly successful in meeting its commitments to deliver electrical power to Indian consumers on a cost competitive basis. The ability of NPCIL to access fuel and power plant equipment in worldwide markets will allow NPCIL to aggressively pursue the growth of nuclear power in India.

#### NPCIL: Tarapur Fuel is Low Cost and High Pay-Off

19. (C) According to Jain, renewed Indian access to enriched uranium for the Tarapur reactor would be a low political cost step with a very high political pay-off in India's perception of the JS. Jain told SciCouns that a refueling of Tarapur will take place later this year and another refueling is planned for early next year. At present, India has sufficient enriched uranium supplies to carry-out both refuelings to completion. Empowering India to negotiate the acquisition of fuel for a subsequent Tarapur refueling will allow India to probe, in a systematic manner, the availability and price of enriched uranium from suppliers, which up to last Monday, were prohibited from interacting with NPCIL.

10. (C) As safeguards are in place for Tarapur, Jain argued, an early start of fuel procurement for Tarapur would be straightforward to implement and could quickly demonstrate to doubters that the US-sponsored rapprochement of India's nuclear power program with world nuclear power programs is indeed real. We are making the point in reply to all our interlocutors that it serves India's interest to move quickly on the commitments the GOI undertook in the July 18 statement so that full normalization of our civil nuclear cooperation can occur.

11. (C) Commenting on debates in the Indian press regarding perceived strategic drawbacks of the commitments that India has made in the JS regarding the safeguarding of India's nuclear facilities, Jain said that the debate was natural. Under the leadership of PM Singh, who he views as a clear-headed person with hands-on experience on India's nuclear programs, this debate, in Jain's view, will be short-lived provided that some rapid motion will demonstrate advantages to India resulting from India's willingness to adhere to international nuclear regimes.

#### DAE: Agreement Will Require A Joint Working Group

12. (C) R. Grover, Strategic Planning Director for the Department of Atomic Energy (DAE), was equally sanguine about the JS. Grover believes that implementation of the agreement will have to rely upon a Joint Working Group (JWG) which can quickly move the process of implementation along. The success of such a working group will depend on the latitude that JWG members will have to implement the agreement and bring along doubters within the Indian nuclear establishment. In his view, early successes on the US multi-lateral and Indian sides will demonstrate to political doubters that implementation of the JS is indeed possible, that it will deliver benefits to India, and that India's political cost of keeping up the commitments will be commensurate with benefits that will accrue.

BARC Director: India Will Remain Self-Sufficient  
-----

13. (C) Our consulate in Mumbai contacted Dr. Srikumar Banerjee, the Director of the Bhabha Atomic Research Centre (BARC), and a member of AEC, told Mumbai EconOff that the JS was an interesting and welcome development. Banerjee said that a lot of work remains ahead to implement the JS. He added that the political criticism and apprehensions that have undergone extensive press coverage of the JS will impose a challenge to the implementation of the intentions of both leaders. Banerjee, who is an old-school Indian self-sufficiency technocrat, stressed to Mumbai EconOff India's indigenous capabilities in nuclear research and development and reiterated that India's self-sufficient path "will continue unaffected."

14. (C) Comment: It was clear to EconOff that Banerjee does not want civilian nuclear cooperation with the US to replace India's own capabilities but to augment them. In the conversation, Banerjee seemed to imply that India is perfectly capable of achieving energy security on its own, but closer cooperation with the US is highly welcome. Such cooperation will allow India to achieve the goal of energy security more quickly. Banerjee firmly believes in the promise of the Indian Fast Breeder Reactor program which will convert India's thorium resources to U-233. This is an oft-repeated mantra that, in Mission's view, will be likely to undergo closer examination once India's nuclear power program is able to obtain reliable supplies of nuclear fuel from global markets. End comment.

AERB: The Agreement Will Speed Up Nuclear Safety Cooperation  
-----

15. (C) S.K. Sharma, the Chairman of the Atomic Energy Regulatory Board (AERB), told Mumbai EconOff that the JS will invigorate the US-India nuclear safety dialogue, which has undergone steady improvement over the past two years. Sharma modestly admitted that AERB as an agency for safety had not been a main player in the interaction that culminated in the JS. Still, Sharma said, the JS coupled with the completion of NSSP, will allow AERB and the US Nuclear Regulatory Commission (NRC) to engage in deeper technical exchanges regarding nuclear reactor safety.

Comment: Agreement on Conditions for Tarapur Fueling Critical  
-----

16. (C) The positive private reactions from senior Indian scientists contrast starkly with the more negative assessments of retired nuclear experts who have been quoted (usually without attribution) in the Indian media complaining about the PM's sellout of India's nuclear independence to the US. We will need to continue educating our Indian interlocutors about the nature of the quid pro quos laid out in the July 18 JS. But it is clear that influential voices in the Indian nuclear community see the virtue of proceeding quickly with our new framework in delivering carbon free energy to the Indian economy. Since fuel for Tarapur has been singled out in the JS, we will need to decide quickly on the specific conditionality that will apply for fuel for the Tarapur reactors, so we can work towards an early success.

17. (C) In forging the July 18 JS in Washington, the economist in the PM came out. Influenced by the Planning Commission, the PM recognized that this deal would bring large economic gains to India and set India on a path to satisfy its energy needs and de-carbonize the Indian economy.

BLAKE